

ORIGINAL

SEALED

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA,
ex rel. DONALD REZNICEK AND
COLLEEN MCFARLAND,

Plaintiffs,

v.

DALLCO MARKETING, INC. D/B/A
ADCO INDUSTRIES *et al.*,

Defendants.

Civil Action No. 3:22-CV-332-L

**NOTICE OF INTERVENTION FOR PURPOSES
OF SETTLEMENT AND DISMISSAL**

Pursuant to the False Claims Act, 31 U.S.C. § 3730(b)(2) and (4), the government notifies the Court of its election to intervene in this civil action for purposes of settlement and dismissal. The government and the relators have executed a settlement agreement with certain of the defendants, and upon receipt of the settlement payment specified in the settlement agreement (which is due within 60 days of October 26, 2023, when the agreement was finalized), the government and relators will file a stipulation of dismissal.

Specifically, the government has entered into a settlement agreement with defendants Dallco Marketing, Inc. d/b/a ADCO Industries, Raymond Eugene Davis, Xiamen Atlantis MFC Co., Ltd., and Xiamen Taft Medical Co., Ltd. based on the Covered Conduct as defined in the parties' settlement agreement, which relates to the underreporting of the value of imported merchandise delivered to ADCO in the United

States for eventual resale from June 2019 through September 2022. Under the terms of the settlement agreement, the settling persons/entities are to make a settlement payment to the government within 60 days of execution of the settlement agreement,¹ and at that time the government will file papers to dismiss this action in its entirety.


The government requests that the relators' complaint (filed Feb. 10, 2022), this notice, and the Court's resulting order be unsealed at this time. The government further requests that all other documents previously filed in this matter (including, but not limited to, any applications and accompanying memoranda filed by the government for extensions of the intervention deadline) remain under seal because, in discussing the content and extent of the government's investigation, such papers are provided by law to the Court for the sole purpose of evaluating whether the seal and time for making an election to intervene should be extended. *See* 31 U.S.C. § 3730(b)(3) (allowing for *in camera* submissions to support requested extensions).

A proposed order is being submitted with this notice.

¹ The settlement agreement is with the Chinese entities Xiamen Atlantis MFC Co., Ltd. and Xiamen Taft Medical Co., Ltd., Dallas-based Dallco Marketing, Inc. d/b/a ADCO Industries and its principal owner, Raymond Eugene Davis, and Calvin Chang, of Taiwan. The Xiamen entities, ADCO, and Davis are named defendants in the complaint; Chang is referenced in the body of complaint but is not actually named as a defendant therein. The complaint also names certain other defendants (Far East Industries, Inc., Phoenix Operations, L.P., and "John Does #1-50, Fictitious Names") who are not parties to the settlement agreement, but as to whom the government intends to dismiss this case once the payment called for by the settlement agreement is received—i.e., such that the entire action will be dismissed.

Respectfully submitted,

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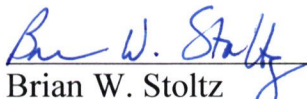
Attorneys for the United States

Certificate of Service

On October 31, 2023, a copy of this document has been served on the relators by
first-class mail to counsel of record, addressed as follows:

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